

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No: D.T.E. 03-88D  
Attorney General's First Set of Document and Information Requests

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**Request No.: AG-FGE-1-1**

Please provide the following monthly bad debt data for the period from January 2001 through December 2003. Please separate data into default, standard offer, and delivery for each month.

- A. Bad debt written off
- B. Bad debt recovered
- C. Bad debt reserve balance 1/1/2001
- D. Bad debt reserve monthly activity
- E. Monthly booked revenue and net write offs for 1999 through 2003.

Please supply the data in an Excel spreadsheet file as well as in a paper version.

**Response:**

Attachment AG-FGE-1-1, pages 1-2, shows the information requested in items A-D.  
Attachment AG-FGE-1-1, pages 3-5, shows the net write-offs for 1999 through 2003. The net write-offs by supply component are not available for 1999, but the total has been provided.  
Attachment AG-FGE-1-1, pages 6-8, shows the monthly booked revenue for 1999 through 2003 by supply component.

An excel file showing the data is also enclosed.

**Person Responsible: Karen M. Asbury**

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**Request No.: AG-FGE-1-2**

Please provide the following monthly data for the period from January 2001 through December 2003.

- A. Monthly billed revenue by rate class (R1, R2, etc.) by energy supply (default, standard offer, competitive).
- B. Monthly kwh by rate class (R1, R2, etc.) by energy supply (default, standard offer, competitive)

Please supply the data in an Excel spreadsheet file as well as in a paper version.

**Response:**

Attachment AG-FGE-1-2 shows the monthly billed revenue and kWh for energy supply by rate class and by energy supply. An excel file with this data is also enclosed.

**Person Responsible: Karen M. Asbury**

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**Request No.: AG-FGE-1-3**

Please provide the workpapers, backup, and calculations that support each overhead factor used in your filing. Are these factors used in other regulatory cases? Please supply all recent (since 2002) FGE testimony and workpapers with supporting backup including timesheets that use overhead factors. Explain their use in FGE cost accounting and any other applications where they are used. Please supply the data in an Excel spreadsheet file as well as in a paper version.

**Response:**

The only overhead factor used in the filing is the annual average Unitil Service Corp. ("USC") overhead rate of 95% for 2003. Attachment AG-FGE-1-3-a shows the workpaper used to calculate this amount. The 95% shown at the bottom of the page is the average of each monthly rate used. An excel file with this calculation is also enclosed.

The USC overhead factor was used in the recent base rate case filed by the electric and gas divisions of FG&E, D.T.E 02-24/25. The 2001 monthly USC overhead factor was utilized in that case. The applicable portion of Mark H. Collin's prefiled testimony and exhibits related to the USC service charge and overheads in D.T.E. 02-24/25 is attached as Attachment AG-FGE-1-3-b.

The USC overhead factor is applied to direct charges for labor and expenses of Unitil Service Corp. for billing to FG&E. The rates are not used in any other accounting applications.

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**Request No.: AG-FGE-1-4**

In the Asbury Testimony, Schedule KMA-1, Page 5 of 6, Note 3, please provide the source for the formula for REC purchases. Please provide all REC invoices received to date.

**Response:**

Schedule KMA-1, Page 5 of 6, Note 3 indicates that the estimate of cost for Renewable Energy Credits ("REC") is equal to the Default Service load times 1.5% times \$40 per MWH. The expression "Default Service load times 1.5%" is equal to the volume of REC that FG&E will purchase for 2004 compliance with 225 CMR 14.00 – Renewable Energy Portfolio Standard ("RPS"). The source for this information is the table on Page 10 of the RPS, which is titled, "Minimum Percentages of Annual Electrical Energy Sales with New Renewable Generation Attributes." This table indicates that FG&E is required to source 1.5% of its Default Service load with REC for 2004 compliance. The price of \$40 per MWH is FG&E's estimate of the average cost per REC for 2004 compliance with the RPS. The estimate was based upon informal communication with REC brokers.

Please find copies of the REC invoices received by FG&E as Attachment AG-FGE-1-4. Certain information in the attachment has been redacted as FG&E deems this information to be confidential. A single unredacted copy of the attachments to AG-FGE-1-4 is provided to the Hearing Officer and to the parties that have signed confidentiality agreements. A Motion for Confidential Treatment is filed herewith.

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**Request No.: AG-FGE-1-5**

In the Asbury Testimony, Schedule KMA-1, Page 5 of 6, Note 3, please provide the REC amount expensed by FGE by month during 2003.

**Response:**

Prior to December 2003, the Renewable Energy Certificates (REC) were purchased by the default service provider. FG&E did not have any costs for the purchase of RECs in December 2003.

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**Request No.: AG-FGE-1-6**

Please provide the monthly deferral balances for default service bad debt and separately for cash working capital from the first month that a deferral was made until December 2003.

**Response:**

Attachment AG-FGE-1-6, Page 1 of 1, provides the monthly bad debt and cash working capital expense from December 2002 (the first month that these expenses were charged to default service) through December 2003. Although FG&E does not maintain separate deferral balances for each cost category, these costs represent amounts for bad debt and working capital that are reflected in the total default service deferral.

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**Request No.: AG-FGE-1-7**

Please provide the amount collected in rates monthly since the initial month collected until December 2003 for the supply and renewable energy certificate costs discussed in the Asbury Testimony, Page 3, Lines 15-17. Please provide the amounts charged to expense for each item during the same time period.

**Response:**

As previously discussed in AG-FGE-1-5, prior to December 2003 the default service provider was responsible for RECs and therefore that cost was reflected in the wholesale supply price. Beginning in December 2003 FG&E is purchasing RECs directly. The December 2003 default service rate reflects the estimated wholesale supply cost and the estimated wholesale cost of RECs of \$0.00040 per kWh.

FG&E's actual cost of default service since March 1998 is shown in Attachment AG-FGE-1-7.

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**Request No.: AG-FGE-1-8**

Please provide amounts, backup calculations, invoices and workpapers for all Alternative Compliance payments made to date. Identify Standard Offer and Default Service separately.

**Response:**

FG&E has complied with the RPS by securing the appropriate number of RECs through bilateral purchases. Therefore, FG&E has made no Alternative Compliance payments to date.

**Person Responsible: Karen M. Asbury**